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The agricultural population furnished the greater proportion of emigrants.

The growth of industry in Italy is best indicated by the increase in the number of steam engines at work. The figures are as follows :

				Number of Engines.	Horse Power.
1876	-	-	-	4,459	54,231
1890	-	-	-	9,946	156,680

Mining has shown the greatest progress among all the branches of Italian industry, the aggregate product of mining having nearly doubled in value and more than doubled in quantity from 1871 to 1891.

It appears from these figures that Italy, since her unification, is steadily advancing toward the type of a modern industrial country. As to her intellectual development, however, she still remains one of the most backward countries on the European continent, though much has already been done for the education of the people. The proportion of illiteracy among persons entering into marriage is indicated by the following percentages :

					Males.	Females.
1871	-	-	-	-	57.73	76.73
1894	-	-	-	-	41.12	59.16

The data dealing with wages and prices are very comprehensive, and, when worked over in a systematic way, may considerably further the study of the vexed questions of value.

ISAAC A. HOURWICH.

*Inland Waterways, Their Relation to Transportation.* By EMORY R.

JOHNSON, PH.D. Supplement to the Annals of the American Academy of Political and Social Science, 1893. 8vo. pp. 164.

THE growing importance of transportation facilities and low rates as a factor of industrial growth makes welcome an intelligent discussion of any phase of the problem. Dr. Johnson has already manifested his interest in the improvement of waterways by a defence of river and harbor improvements as carried on under the unsystematic and wasteful method which has long prevailed in the United States. He thinks the benefits to be derived are great enough to more than compensate for the waste which the present system involves; besides, he is hopeful enough to find indications of decided improvement.

In the present paper, Dr. Johnson gives an account of the river and harbor improvements, ship canals and inland canals which the "Renaissance of Inland Navigation" has caused to be projected or

pushed forward to completion. He compares the systems of Germany, France, England and the United States, discusses the relative merits of private and state construction and management, and decides in favor of state control for all works of general importance.

Some of the reasons urged in favor of state undertakings do not seem sound. The statement that their cost is less under state control is certainly open to criticism. The credit of a company without capital is compared with that of the United States. Because the latter can float bonds on better terms, Dr. Johnson argues that it can construct the Nicaragua canal for half what the cost to a private company would be. This is the common mistake of confounding insurance against risk with the real rate of interest. By shifting the risk from the bond purchaser to the United States Government, the cost of the canal is not lessened. If it were perfectly certain that the canal could be constructed for \$100,000,000, and would secure enough traffic to pay four or five per cent. on that amount of capital, would there be any difficulty in finding takers for the bonds at the market rate of interest? Because the investors fear that they may be called upon to send a second hundred million after the first before the enterprise begins to earn any returns, with the possible contingency that it may never be a success, the bonds do not float. To show the fallacy of the author's position it is only necessary to suppose that the bonds issued by the government were to bear no interest till the canal earnings could pay it and that the principal was to be lost if the enterprise proved a failure. Could the United States float such bonds on better terms than a well-managed private company? If not, then how is the cost to the United States any less than to the company? If the element of risk could be eliminated, not merely transferred, by the use of Government credit, then indeed the cost might be lessened. If there is no risk, and capital is kept out because investors think there is, then a use of Government credit may be the most advantageous way of removing the groundless fear. Where capital is as easily collected and as venturesome as it is in the United States, there is little ground for saying that the risk is overestimated, that capital can only be attracted by an expectation of undue profits, or that the Government can carry the risks any cheaper than private capital now does.

In stating that "water competition is not ruinous, but helpful to the railroads," Dr. Johnson brands the policy of purchasing canals or forcing them out of existence as an ignorant blunder. Stronger

evidence than has here been adduced will be necessary to show that the shrewdest set of men whom our industrial system has produced, have, for nearly half a century, pursued a policy detrimental to the interests under their control. The alleged harmony of interest between the railway and the canal depends upon the assumption that there is, or will be more freight than the roads can carry profitably,—that by leaving the cheaper raw materials to the canals, the roads can so increase their facilities for fast freight and passenger traffic that the net return will be greater than under existing conditions. It is also assumed that all kinds of industries would increase with cheaper freights on raw materials and thus the traffic in manufactured commodities would be greater. From an increase in the manufactures of the country the railroads would of course reap a benefit, but the keen competition which exists, and always has existed, for traffic of all kinds does not indicate that the limit to the carrying capacity of the railroads has yet been approached. The canal may bring benefits in many ways, but the need for transportation facilities must become much greater than it is before an increase in the net earnings of railways can be classed among these benefits.

WILLIAM HILL.

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*The Railroad Question.* By WILLIAM LARRABEE. Chicago: The Schulte Publishing Company, 1893. 12mo. pp. 488.

THIS book shows that the forces in favor of strict governmental control of the means of transportation have gained a vigorous recruit. From an advocate of government, as well as private aid and encouragement to railroads, the author has become an advocate of stringent state regulation. He has learned to distrust all railroad managers, to believe that they would rather do wrong than right; that neither the public nor the stockholders can safely intrust their interests to railway managers, who are more often interested in stock speculations than in the real development of the property under their control. Coupled with this entire distrust of all railway officials is a belief in the wisdom, justice and ability of the people, which makes it natural to desire a transfer of power from the one to the other. Not only are the railway managers to be distrusted, but the press also must be watched, for it is largely under corporation rule and influence; often, indeed, it is directly bribed. The same is true of the legislatures and often of the